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10 Attorneys for Channel Technologies Group, LLC, Debtor and  
11 Debtor in Possession

12  
13 **UNITED STATES BANKRUPTCY COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**  
15 **NORTHERN DIVISION**

16 In re:  
17  
18 CHANNEL TECHNOLOGIES GROUP,  
19 LLC,<sup>1</sup>  
20 Debtor.

Case No.: 9:16-bk-11912-PC

Chapter 11

**NOTICE OF MOTION AND MOTION  
FOR ORDER (A) APPROVING  
DEBTOR'S DISCLOSURE STATEMENT;  
(B) FIXING VOTING RECORD DATE;  
(C) APPROVING SOLICITATION AND  
VOTING PROCEDURES;  
(D) APPROVING FORM OF  
SOLICITATION MATERIALS; AND (E)  
SETTING CONFIRMATION HEARING  
AND DEADLINES IN CONNECTION  
THEREWITH; MEMORANDUM OF  
POINTS AND AUTHORITIES;  
DECLARATION OF DAVID TIFFANY**

Disclosure Statement Approval Hearing

Date: December 13, 2017

Time: 10:00 a.m.

Place: Courtroom "201"

1415 State Street

Santa Barbara, California 93101

Judge: Hon. Peter H. Carroll

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28 <sup>1</sup> The last four digits of the Debtor's Tax Identification Number are: 0460. The Debtor's mailing address is: 8714 East  
Sandalwood Dr. Scottsdale, AZ 85250.

1           **PLEASE TAKE NOTICE** that a hearing will be held on December 13, 2017 at 10:00 a.m.,  
2 before the Honorable Peter Carroll, United States Bankruptcy Judge, in Courtroom 201 at 1415 State  
3 Street, Santa Barbara, CA 93101 to consider the motion (the “Motion”) of Channel Technologies  
4 Group, LLC (the “Debtor”) for an order (A) approving the *Disclosure Statement in Support of*  
5 *Chapter 11 Liquidating Plan (Dated November 7, 2017)*, as may be amended or supplemented and  
6 including all exhibits and supplements thereto (the “Disclosure Statement”), relating to the *Debtor’s*  
7 *Chapter 11 Liquidating Plan (Dated November 7, 2017)*, as may be amended or supplemented and  
8 including all exhibits and supplements thereto (the “Plan”) and the form of Disclosure Statement  
9 Order attached as **Exhibit “A”** hereto; (B) fixing a voting record date pursuant to Bankruptcy Rule  
10 3018(c) for determining, among other things, those creditors entitled to receive ballots and  
11 solicitation materials; (C) approving solicitation and voting procedures with respect to the Plan;  
12 (D) approving the solicitation materials and the notices to be distributed with respect thereto in  
13 substantially the forms attached as **Exhibits “B - D”** hereto; and (E) establishing Plan confirmation-  
14 related deadlines and procedures.<sup>2</sup>

15           **PLEASE TAKE FURTHER NOTICE** that the Motion is based on the attached  
16 Memorandum of Points and Authorities, the Declaration of David Tiffany and other admissible  
17 evidence properly brought before the Court at or before the hearing regarding this Motion. The  
18 Debtor requests that the Court take judicial notice of all documents filed with the Court in the case.

19           **PLEASE TAKE FURTHER NOTICE** that Federal Rule of Bankruptcy Procedure 3017(a)  
20 and Local Bankruptcy Rules 3017-1(b) and 9013-1(f) requires that any response to the Motion be  
21 filed with the Court and served upon counsel for the Debtor at the address set forth in the upper left-  
22 hand corner of the first page hereof at least fourteen (14) days prior to the hearing date. Pursuant to  
23 Local Bankruptcy Rule 9013-1(h) the failure to timely file and serve written opposition may be  
24 deemed by the Court to be consent to the granting of the relief requested in the Motion.

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28 <sup>2</sup> All capitalized terms not defined herein shall have the meaning ascribed to them in the Disclosure Statement and Plan.

1           **WHEREFORE**, the Debtor requests that this Court enter an order granting the relief  
2 requested herein and granting such other and further relief as may be just and proper.

3  
4 Dated: November 15, 2017

PACHULSKI STANG ZIEHL & JONES LLP

5 By /s/ Jeffrey W. Dulberg  
6 Jeffrey W. Dulberg  
7 Attorneys for Debtor and Debtor in  
8 Possession  
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **INTRODUCTION**

4 This Motion seeks Court approval of the Disclosure Statement, various solicitation and  
5 tabulation procedures for voting on the Plan, the form of ballot to be used in connection therewith,  
6 and the manner of notice proposed by the Debtor. The Motion also requests that the Court schedule a  
7 plan confirmation hearing and establish various confirmation-related deadlines.

8 The dates and deadlines proposed herein are specifically tailored to meet the requirements of  
9 the Bankruptcy Code, the Bankruptcy Rules and this Court’s general order concerning plan  
10 confirmation while permitting the Debtor to seek to confirm the Plan in a timely and efficient  
11 manner. In particular, the schedule calls for the filing of a Confirmation Brief (defined below) and  
12 any objection to confirmation after the Voting Deadline (defined below).

13 By granting the Motion, the Court will establish a clear set of ground rules to govern the  
14 confirmation proceedings in this chapter 11 case and avoid potential disputes concerning the  
15 procedures adopted for soliciting and tabulating votes. The Debtor believes that the procedures and  
16 deadlines outlined below are fair and reasonable, comply with the Bankruptcy Code and Bankruptcy  
17 Rules, and should be approved by the Court.

18 **II.**

19 **BACKGROUND**

20 **A. The Commencement of the Debtor’s Chapter 11 Case, Jurisdiction and Venue**

21 On October 14, 2016 (the “Petition Date”), the Debtor commenced this case by filing a  
22 voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to  
23 manage its assets as Debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy  
24 Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”). No trustee or examiner has been  
25 appointed in this chapter 11 case. The Court has jurisdiction over this matter pursuant to 28 U.S.C.  
26 §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of the  
27 Case is proper pursuant to 28 U.S.C. §§ 1408 and 1409.  
28

1 **B. The Filing of the Plan of Reorganization and Disclosure Statement; Notice of Hearing**

2 On November 7, 2017, the Debtor filed the Plan [Docket No. 410] and Disclosure Statement  
3 [Docket No. 411]. Also, on November 7, 2017, the Debtor served its *Notice of Hearing on Debtor's*  
4 *Disclosure Statement Dated November 7, 2017 Describing Chapter 11 Liquidating Plan for Channel*  
5 *Technologies Group, LLC, Dated November 7, 2017; and Deadline to File Objections Thereto* upon  
6 all of the creditors of the estate.

7 **III.**

8 **RELIEF REQUESTED**

9 The Debtor requests, among other things, that the Court enter an Order approving the  
10 Disclosure Statement (the "Disclosure Statement Order"), in substantially the form of **Exhibit "A"**  
11 hereto, (A) approving the Disclosure Statement, (B) fixing a voting record date ("Voting Record  
12 Date") pursuant to Bankruptcy Rule 3018(a) for determining, among other things, those creditors  
13 entitled to receive ballots and materials necessary for voting on the Plan, as specified in Bankruptcy  
14 Rule 3017(d), (C) approving solicitation and voting procedures with respect to the Plan,  
15 (D) approving the form of the Solicitation Package (as defined herein) and the notices to be  
16 distributed with respect thereto, and (E) establishing dates and deadlines related to confirmation of  
17 the Plan.

18 **A. Approval of the Disclosure Statement**

19 **1. Legal Standard for Approval**

20 Section 1125 of the Bankruptcy Code requires the bankruptcy court to approve a written  
21 disclosure statement prior to allowing a debtor to solicit acceptances for a chapter 11 plan. In order  
22 to be approved, section 1125(a)(1) of the Bankruptcy Code requires the bankruptcy court to find that  
23 the disclosure statement contains "adequate information," which is defined as:

24 information of a kind, and in sufficient detail, as far as is  
25 reasonably practicable in light of the nature and history of the  
26 debtor and the condition of the debtor's books and records,  
27 including a discussion of the potential material Federal tax  
28 consequences of the plan to the debtor, any successor to the debtor,  
and a hypothetical investor typical of the holders of claims or  
interest in the case, that would enable such a hypothetical investor  
of the relevant class to make an informed judgment about the  
plan....

1 11 U.S.C. § 1125(a)(1); *see Official Committee of Unsecured Creditors v. Michelson*, 141 B.R. 715,  
2 718 (Bankr. E.D. Cal. 1992) (“Whether the disclosure statement contains ‘adequate information’ is a  
3 question of bankruptcy law that is independent of non-bankruptcy law relating to disclosure”).

4 In the absence of specific statutory guidance as to what types of information constitutes  
5 “adequate information,” courts have developed lists of items to serve as guideposts in evaluating the  
6 adequacy of a disclosure statement for the purposes of solicitation under section 1125 of the  
7 Bankruptcy Code. Such information may include:

- 8 (i) Circumstances that give rise to the filing of the bankruptcy petition;
- 9 (ii) Description of the available assets and their value;
- 10 (iii) Anticipated future of the debtor;
- 11 (iv) Disclaimer indicating that no statements or information concerning the debtor are  
12 authorized other than those set forth in the disclosure statement;
- 13 (v) Performance of the debtor while in chapter 11;
- 14 (vi) Information regarding claims against the estate;
- 15 (vii) Liquidation analysis setting forth the estimated return that creditors would receive  
16 under chapter 7;
- 17 (viii) Information regarding the future management of the debtor, including the amount of  
18 compensation to be paid to any insiders, directors, and/or officers of the debtor;
- 19 (ix) Summary of the plan of reorganization;
- 20 (x) Estimate of all administrative expenses;
- 21 (xi) Financial information, valuations or pro forma projections that would be relevant to  
22 creditors’ determinations of whether to accept or reject the plan;
- 23 (xii) Information relevant to the risks posed to creditors under the plan;
- 24 (xiii) Litigation likely to arise in a non-bankruptcy context; and
- 25 (xiv) The relationship of the debtor with affiliates.

26 *See In re Neutgens*, 87 B.R. 128, 129 (Bankr. D. Mont. 1987); *In re Cardinal Congregate I*, 121  
27 B.R. 760, 765 (Bankr. S.D. Ohio 1990); *In re Scioto Valley Mortgage Co.*, 88 B.R. 168, 170-71  
28 (Bankr. S.D. Ohio 1988); *In re Ferretti*, 128 B.R. 16, 18-19 (Bankr. D.N.H. 1991). These items,

1 however, are only “yardstick[s] against which the adequacy of disclosure may be measured; the  
2 precise information required will be governed by the facts and circumstances presented in each  
3 case.” *Cardinal Congregate I*, 121 B.R. at 765; *In re Ferretti*, 128 B.R. at 19 (“This list is by no  
4 means comprehensive. Nor must every debtor provide all the information on the list. The Court will  
5 decide what is appropriate in each particular case.”).

6 **2. The Disclosure Statement Contains Adequate Information**

7 The Debtor believes that the Disclosure Statement contains adequate information within the  
8 meaning of section 1125(a)(1) of the Bankruptcy Code and should be approved because the  
9 Disclosure Statement contains descriptions and summaries of, among other things:

- 10 • the Plan (*see* Article VIII, Article XI);
- 11 • the classes of claims and interests (*see* Articles VIII, XI.A.B);
- 12 • the Debtor’s history and capital structure (*see* Article IX);
- 13 • events leading to commencement of the chapter 11 case (*see* Article IX.C.);
- 14 • significant events during the chapter 11 case (*see* Article X);
- 15 • a liquidation analysis comparing recoveries under chapter 7 (*see* Disclosure  
16 Statement Exhibit “B”);
- 17 • a disclaimer that no statements or information concerning the Debtor are authorized  
18 other than those in the Disclosure Statement (*see* Article II);
- 19 • the effect on creditors of Plan confirmation (*see* Article XIV);
- 20 • potential litigation claims preserved (*see* Article XI. E);
- 21 • risk factors to be considered by creditors (*see* Article XII); and
- 22 • tax consequences of the Plan (*see* Article XVI).

23 The Debtor submits that the Disclosure Statement contains adequate information to enable a  
24 party to make an informed judgment about how to vote on the Plan and, therefore, requests that,  
25 pursuant to Bankruptcy Rule 3017(b), the Court approve the Disclosure Statement as containing  
26 “adequate information” as defined in section 1125(a) of the Bankruptcy Code.

27 **B. Fixing a Voting Record Date**

28 Bankruptcy Rule 3017(d) provides that, for the purposes of soliciting votes in connection

1 with the confirmation of a Chapter 11 plan, “creditors and equity security holders shall include  
2 holders of stocks, bonds, debentures, notes and other securities of record on the date the order  
3 approving the disclosure statement is entered or another date fixed by the court, for cause, after  
4 notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar  
5 provision regarding determination of the record date for voting purposes.

6 The Debtor requests that the Court exercise its authority under Bankruptcy Rules 3017(d)  
7 and 3018(a) to establish the Voting Record Date as [December 13, 2017] as the record date for  
8 determining: (a) those creditors entitled to receive the Solicitation Package (as defined below)  
9 pursuant to the Solicitation Procedures (as defined below); (b) those creditors entitled to vote to  
10 accept or reject the Plan; and (c) whether claims have been properly transferred to an assignee  
11 pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of the assigned  
12 claim.

13 **C. Approval of Solicitation Procedures**

14 Pursuant to Bankruptcy Rule 3017(d), upon approval of a disclosure statement, a plan  
15 proponent must mail to the United States Trustee, all creditors and all equity security holders the  
16 plan, the disclosure statement, notice of the time within which to file acceptances or rejections,  
17 notice of the date of the confirmation hearing, and such other information as the court may require  
18 (the “Solicitation Procedures”).

19 The Debtor believes that the below-described Solicitation Procedures are well designed and  
20 specifically tailored to effectively solicit acceptances or rejections of the Plan. To the extent that  
21 circumstances requiring modification or amendment of the Solicitation Procedures arise, the Debtor  
22 reserves the right to supplement or amend the Solicitation Procedures as appropriate.

23 **1. Determination of Treatment of Certain Claims and Interests for Notice and**  
24 **Voting Purposes**

25 The Debtor enumerates in the Plan classes of creditors that are entitled to vote on the Plan.  
26 Class 3 (General Unsecured Claims) are designated for voting purposes as Impaired and entitled to  
27 vote on the Plan (collectively, the “Voting Class”). Class 2 (Secured Claims) are designated as not  
28 Impaired, deemed to have accepted the Plan, and not entitled to vote. Finally, Class 4 (Interests) are



1 designated for voting purposes as likely not receiving or retaining any property under the Plan, and  
2 are therefore deemed to have rejected the Plan and not entitled to vote.

3 **2. Establishing a Voting Deadline**

4 Pursuant to Bankruptcy Rule 3017(c), at the time of the approval of the Disclosure  
5 Statement, or earlier, “the court shall fix a time within which the holders of claims and interests may  
6 accept or reject the Plan.” Fed. R. Bankr. P. 3017(c). The Debtor requests that the Court establish  
7 [January 10], 2018 at 5:00 p.m. as the voting deadline (“Voting Deadline”).<sup>3</sup> The proposed Voting  
8 Deadline is approximately [twenty-six (26)] days after the date Solicitation Packages are expected to  
9 be distributed.

10 **3. Approval of the Form of Ballots**

11 Bankruptcy Rule 3018(c) provides, in relevant part, as follows:

12 An acceptance or rejection shall be in writing, identify the plan or  
13 plans accepted or rejected, be signed by the creditor or equity  
14 security holder or an authorized agent, and conform to the  
appropriate Official Form.

15 Fed. R. Bankr. P. 3018(c). All votes must be cast by using the appropriate ballot (collectively, the  
16 “Ballots”). The Debtor, in accordance with Bankruptcy Rule 3018(c), has prepared Ballots for Class  
17 3 which is the only Voting Class under the Plan. Accordingly, the Debtor requests that the Court  
18 approve the Ballot form attached hereto as **Exhibit “B”**. The form of the Ballot complies with  
19 Bankruptcy Rule 3018(c) and is based substantially on Official Form No. 14, as modified to address  
20 the particular needs of the Debtor’s chapter 11 case.

21 **4. Approval of Solicitation Packages and Procedures for Distribution Thereof**

22 Bankruptcy Rule 3017(d) sets forth the materials that must be provided to holders of claims  
23 and interest holders for purposes of soliciting their votes and providing adequate notice of a plan  
24 confirmation hearing. Upon approval of the Disclosure Statement, the Debtor proposes that on or

25 \_\_\_\_\_  
26 <sup>3</sup> The Debtor reserves the right to amend from time to time the Plan (subject to compliance with the  
27 requirements of section 1127 of the Bankruptcy Code and the terms of the Plan regarding  
28 modifications). The Bankruptcy Code requires the Debtor to disseminate additional solicitation  
materials if the Debtor makes material changes to the Plan or if the Debtor waives a material  
condition to Plan confirmation. In that event, the Voting Deadline will be extended or re-opened to  
the extent directed by the Court.

1 before [December 15, 2017], the Debtor will serve holders of Class 3 (as of the Voting Record Date)  
2 the following: (i) the Confirmation Hearing Notice substantially in the form attached hereto as  
3 **Exhibit “C”**; (ii) the Ballot and a pre-addressed return envelope (without postage attached), together  
4 with voting instructions; (iii) the Disclosure Statement and the Plan; (iv) the Disclosure Statement  
5 Order; and (v) a Plan support letter (the “Solicitation Letter”) substantially in the form attached  
6 hereto as **Exhibit “D”** urging the creditors who are entitled to vote, to vote in favor of the Plan  
7 (collectively, the “Solicitation Package”).

8 The Debtor requests that the Court permit it to exclude all other parties (not identified above)  
9 from service of the Solicitation Package, including, without limitation, parties identified on the  
10 Debtor’s master mailing list but who are not listed in the Schedules and have not filed a proof of  
11 claim against the Debtor’s estate.<sup>4</sup> To avoid any challenges to the appropriateness of the materials  
12 contained in the Solicitation Package, the Debtor requests that the Court specifically approve the  
13 inclusion of the Solicitation Letter in such materials.<sup>5</sup>

14 The Debtor also intends to serve the Solicitation Package (excluding Ballots) upon  
15 (i) counsel to the Committee, (ii) counsel to the Lender, (iii) the United States Trustee, and (iv) all  
16 entities on the Bankruptcy Rule 2002 service list. The Debtor submits that the Solicitation  
17 Procedures satisfy the requirements of the Bankruptcy Code and the Bankruptcy Rules and should be  
18 approved.

19 **D. Approval of Method of Tabulation of Votes and Form of Ballots**

20 To accurately calculate votes cast for or against the Plan, the Debtor proposes a method for  
21 tabulating votes in accordance with the Bankruptcy Code and Federal Rules of Bankruptcy  
22 Procedure. Generally, only a holder of an allowed claim or interest is entitled to vote to accept or  
23 reject a plan. *See* 11 U.S.C. § 1126(a). An unsecured creditor or an equity security holder must file

24 \_\_\_\_\_  
25 <sup>4</sup> *See* Fed. R. Bank. P. 3003(c)(2) (“Any creditor or equity security holder whose claim or interest is  
26 not scheduled or scheduled as disputed, contingent or unliquidated shall file a proof of claim within  
the time proscribed by subdivision (c)(3) of this rule; any creditor who fails to do so shall not be  
treated as a creditor with respect to such claim for purposes of voting and distribution.”).

27 <sup>5</sup> *Cf. In re Media Central, Inc.*, 89 B.R. 685, 691 (Bankr. E.D. Pa. 1988) (“Failure to obtain  
28 beforehand a judicial ruling on the propriety of statements or information sent in conjunction with a  
vote solicitation may lead to a vote disqualification after the fact if it is later determined that the  
statements or information were improper and the solicitation in bad faith.”).

1 a proof of claim or interest in accordance with Federal Rule of Bankruptcy Procedure 3002 for such  
2 claim or interest to be allowed, with certain exceptions. *See* 11 U.S.C. §§ 501 and 502; Fed. R.  
3 Bankr. P. 1019(3), 3003, 3004 and 3005. One noted exception to this general rule covers claims  
4 listed on a debtor's schedule of liabilities but not listed as contingent, unliquidated or disputed. *See*  
5 11 U.S.C. § 1111(a); Fed. R. Bankr. P. 3003(b).

6 In accordance with these considerations and for the purpose of tabulating votes, the Debtor  
7 proposes that the amount of a claim should be either (a) the claim amount as listed in the Schedules  
8 (so long as such claim is not listed as contingent, unliquidated or disputed) if no proof of claim has  
9 been timely filed and no objection to the claim as scheduled has been filed no later than one day  
10 prior to the Voting Deadline (as defined below) (*see* Fed. R. Bankr. P. 3003(b)(1)), (b) the liquidated  
11 amount specified in a proof of claim timely filed and received to the extent the claim as filed is not  
12 the subject of an objection to claim filed no later than the Voting Deadline (as defined below) (*see*  
13 11 U.S.C. § 502(a); Fed. R. Bankr. P. 3002), provided that if the claim amount asserted is  
14 unascertainable from the face of such proof of claim, then the holder of such claim shall be deemed  
15 to have a claim of one dollar (\$1) for voting amount purposes only; or (c) the amount temporarily  
16 allowed by the Court for voting purposes after notice and a hearing in accordance with Federal Rule  
17 of Bankruptcy Procedure 3018(a).

18 If a creditor submits a ballot, and (a) such creditor has not timely filed a proof of claim and is  
19 not listed on the Schedules as specified above, or (b) the entirety of such creditor's claim is the  
20 subject of an objection to claim, the creditor's ballot should not be counted in accordance with  
21 Bankruptcy Rule 3018, unless otherwise temporarily allowed by the Court in accordance with such  
22 Rule.

23 In addition to the foregoing, the Debtor request that the Court authorize the following  
24 additional procedures for voting on the Plan:

25 1. If a creditor submits more than one ballot voting the same claim(s) before the  
26 last day for submitting ballots to be established pursuant hereto, the last ballot received prior to the  
27 last day for submitting ballots shall supersede any prior ballot(s).  
28

1                   2.       A ballot that partially rejects and partially accepts the Plan or that indicates  
2 both a vote for and against the same Plan, shall not be counted.

3                   3.       Votes cast by a holder of a claim pursuant to a ballot that is not signed or is  
4 not timely received shall not be counted.

5                   4.       Votes cast by a holder of a claim pursuant to a ballot that is e-mailed or faxed  
6 to the Debtor shall not be counted.

7                   5.       Ballots that are signed and returned but that do not provide a vote either for  
8 acceptance or rejection of the Plan shall be counted as an acceptance.

9                   6.       The authority of the signatory of each ballot to complete and execute the  
10 ballot shall be presumed.

11                  7.       A ballot that is furnished to the Debtor's counsel after the established voting  
12 deadline shall not be counted.

13                  8.       All questions raised by a party in interest as to the validity, form, eligibility  
14 (including time of receipt), acceptance, and revocation of withdrawal of ballots will be determined  
15 by the Court after notice and a hearing, in the Court's discretion.

16                  9.       Neither the Debtor nor any other person will be under any duty to provide  
17 notification of defects or irregularities with respect to the deliveries of ballots, nor will any of them  
18 incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court,  
19 delivery of such ballots will not be deemed to have been made until such irregularities have been  
20 cured or waived. Ballots previously cast (and as to which any irregularities have not theretofore  
21 been cured or waived) will be invalid.

22                  10.      A ballot may be withdrawn by delivering a written notice of withdrawal to the  
23 Debtor's counsel at any time prior to the Voting Deadline. To be valid, a notice of withdrawal must  
24 (i) contain the description of the claim to which it relates; (ii) be signed by the holder of the claim in  
25 the same manner as the ballot that it supersedes; and (iii) be received by the Debtor's counsel in a  
26 timely manner at the address set forth on the ballot. Any party in interest will have the right to  
27 contest the validity of any such withdrawal of ballots.  
28

1 **E. Scheduling Confirmation Hearing and Related Deadlines**

2 **1. Summary of Proposed Dates and Deadlines**

3 The dates and deadlines proposed herein are specifically tailored to meet the requirements of  
4 the Bankruptcy Code, the Bankruptcy Rules and this Court's general order concerning plan  
5 confirmation while permitting the Debtor to seek to confirm the Plan in a timely and efficient  
6 manner. In particular, the schedule calls for the filing of a Confirmation Brief (defined below) and  
7 any objection to confirmation *after* the Voting Deadline (defined below), all as suggested by the  
8 Court's general order.

9 The Debtor proposes the following dates for certain events in connection with Plan  
10 confirmation:

11 **December 15, 2017 Plan Solicitation Deadline**  
12 **January 10, 2018 Voting Deadline**  
13 **January 17, 2018 Confirmation Brief Deadline & Voting Report Deadline**  
14 **January 24, 2018 Confirmation Objection Deadline**  
15 **January 31, 2018 Confirmation Reply Deadline (if necessary)**  
16 **February 7, 2018 Plan Confirmation Hearing Date**

17 **2. Plan Solicitation Deadline**

18 The Debtor requests that the Court set December 15, 2017, i.e. two (2) business days after the  
19 order approving the Disclosure Statement is entered on the docket, as the last date by which the  
20 Solicitation Packages must be distributed to parties entitled to receive them.

21 **3. Voting Deadline**

22 Pursuant to Federal Rule of Bankruptcy Procedure 3017(c), “[o]n or before the approval of  
23 the disclosure statement, the court shall fix a time within which the holders of claims and interests  
24 may accept or reject the plan. . . .”

25 The Debtor requests that the Court fix January 10, 2018, approximately twenty-five (26)  
26 calendar days after the Solicitation Packages will have been mailed, as the last date on which all  
27 ballots must be received by the Debtor's counsel in order to be valid (the “Voting Deadline”). This  
28 Voting Deadline will afford creditors ample time to vote yet it will allow the Debtor sufficient time

1 to file their Confirmation Brief (defined below) with sufficient notice prior to the Confirmation  
2 Hearing.

3 **4. The Confirmation Brief and Voting Report Deadline**

4 The Debtor requests that the Court set January 17, 2018 (the "Confirmation Brief Deadline"),  
5 as the deadline for filing and serving any briefs in support of confirmation (the "Confirmation  
6 Brief"). The Debtor requests that the Court order that the only entities upon whom the Debtor must  
7 serve the Confirmation Brief are the U.S. Trustee, counsel to the Lender, counsel to the Creditors  
8 Committee, and all parties who requested special notice pursuant to Federal Rule Bankruptcy  
9 Procedure 2002. The Debtor further requests that January 17, 2018 be set as the deadline for filing  
10 the ballot summary report (the "Voting Report Deadline").

11 **5. Objections to Confirmation**

12 Pursuant to Federal Rule of Bankruptcy Procedure 3020(b)(1), "objections to the  
13 confirmation of the plan shall be filed and served . . . within a time fixed by the court."

14 The Debtor submits that the Court should fix January 24, 2018, a date that will be  
15 approximately six weeks after the Solicitation Packages are mailed and two weeks prior to the  
16 Confirmation Hearing, as the last day to file and serve objections to the Plan ("Confirmation  
17 Objection Deadline"). This time frame complies with Federal Rule of Bankruptcy Procedure  
18 2002(b).

19 The Debtor further requests that the Court order: (a) that Plan objections must be set forth in  
20 a written statement and be accompanied by a memorandum of points and authorities and any  
21 supporting evidence, and (b) that any objections not timely filed and served are deemed waived.  
22 Also, in accordance with Federal Rule of Bankruptcy Procedure 3020(b)(1), the Debtor proposes  
23 that the Court designate the entities set forth below as those entities upon which any objections to  
24 confirmation of the Plan must be served:

25  
26 **United States Trustee**  
27 Office of the U.S. Trustee  
28 Brian Fittipaldi, Esq.  
1415 State Street, Suite 148  
Santa Barbara, CA 93101

1                   **Counsel to Debtor**

2                   Laura Davis Jones, Esq.  
3                   Jeffrey W. Dulberg, Esq.  
4                   Pachulski Stang Ziehl & Jones LLP  
5                   10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
6                   Los Angeles, California 90067-4100

7                   **Counsel to Creditors Committee**

8                   Robert Opera, Esq.  
9                   Winthrop Couchot Golubow Hollander, LLP  
10                  660 Newport Center Drive, Suite 400  
11                  Newport Center Drive, Suite 400  
12                  Newport Beach, CA 92660

13                  **Counsel to the Lender, Blue Wolf Capital Fund II, L.P.**

14                  Alan J. Watson, Esq.  
15                  Holland & Knight LLP  
16                  400 South Hope Street, 8<sup>th</sup> Floor  
17                  Los Angeles, CA 90071-2040

18                  **Counsel to the Lender, Blue Wolf Capital Fund II, L.P.**

19                  John J. Monaghan, Esq.  
20                  Holland & Knight LLP  
21                  10 St. James Avenue, 11<sup>th</sup> Floor  
22                  Boston, MA 02116

23                  **6. The Confirmation Hearing**

24                  The Debtor respectfully requests a hearing on confirmation of the Plan be scheduled for  
25                  February 7, 2018. The Debtor desires to have the Plan confirmed as expeditiously as reasonably  
26                  possible because of the substantial benefits which will be attained by the prompt resolution of the  
27                  case.

28                  **F. Request to Shorten Notice for Hearing on the Motion**

                    Local Rule 3017-1(a) provides as follows:

*Notice of Hearing on Motion for Approval of Disclosure Statement.* A hearing on a  
                    motion for approval of a disclosure statement must not be set on less than 42 days  
                    notice, unless the court, for good cause shown, prescribes a shorter period.

                    The Debtor has provided 36 days' notice of the hearing on the Motion and requests that the  
                    Court approve such shorter notice period. The Plan is a liquidating plan as to which the Debtor does  
                    not anticipate receiving any objections. Moreover, the Plan terms have been substantially negotiated  
                    with the Committee (although final negotiations on certain terms are ongoing). The Debtor submits  
                    that 36 days' notice of the hearing is sufficient under the circumstances.

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**IV.**

**CONCLUSION**

The Debtor respectfully submits that the Disclosure Statement contains adequate information to allow claimants to make an informed decision as to whether to vote to accept or reject the Plan, and the procedures proposed above are reasonable and appropriate and conform to the requirements of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure.

**WHEREFORE**, the Debtor requests that this court enter an Order (a) approving the Disclosure Statement; (b) approving the voting procedures as proposed; (c) approving the forms of Notice, Ballot and Solicitation Letter submitted herewith; (d) approving the manner of notice; (e) establishing the relevant deadlines and dates requested herein; and (f) granting such other and further relief as may be just and proper.

Dated: November 15, 2017

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ Jeffrey W. Dulberg  
Jeffrey W. Dulberg  
Attorneys for Debtor and Debtor in  
Possession

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA



**DECLARATION OF DAVID TIFFANY**

I, David Tiffany, declare as follows:

1. I am a Director of CR3 Partners, LLC, an advisory firm with offices in Dallas, Texas and other cities in the United States. As of the Petition Date, I am the Chief Restructuring Officer of Channel Technologies Group, LLP, the above-captioned debtor and debtor in possession (the "Debtor").

2. Except as otherwise stated, all facts contained within this Declaration are based upon personal knowledge (albeit my own or that gathered from others at my direction), my review of relevant documents, or my opinion based upon my experience concerning the operations of the Debtor. If called upon to testify, I would testify to the facts set forth in this Declaration.

3. I submit this declaration in support of the (A) *Approving Debtor's Disclosure Statement*; (B) *Fixing Voting Record Date*; (C) *Approving Solicitation and Voting Procedures*; (D) *Approving Form of Solicitation Materials*; and (E) *Setting Confirmation Hearing and Deadlines in Connection Therewith* (the "Motion"). All capitalized terms not defined herein have the meaning ascribed to them in the Motion.

4. I participated in the preparation of the Disclosure Statement and have read and reviewed the Motion and the facts set forth therein are true, accurate and complete.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed this 15<sup>th</sup> day of November, 2017 at Scottsdale, Arizona.



---

David Tiffany

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

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# EXHIBIT A

1 Laura Davis Jones (DE Bar No. 2436) (*Admitted Pro Hac Vice*)  
2 Jeffrey W. Dulberg (CA Bar No. 181200)  
3 PACHULSKI STANG ZIEHL & JONES LLP  
4 10100 Santa Monica Blvd., 13th Floor  
5 Los Angeles, CA 90067  
6 Telephone: 310/277-6910  
7 Facsimile: 310/201-0760  
8 E-mail: ljones@pszjlaw.com  
9 jdulberg@pszjlaw.com

10 Attorneys for Channel Technologies Group, LLC, Debtor and  
11 Debtor in Possession

12 **UNITED STATES BANKRUPTCY COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**  
14 **NORTHERN DIVISION**

15 CHANNEL TECHNOLOGIES GROUP,  
16 LLC,<sup>1</sup>

17 Debtor.

Case No.: 9:16-bk-11912-PC

Chapter 11

**ORDER (A) APPROVING DEBTOR'S  
DISCLOSURE STATEMENT; (B) FIXING  
VOTING RECORD DATE; (C) APPROVING  
SOLICITATION AND VOTING  
PROCEDURES; (D) APPROVING FORM OF  
SOLICITATION MATERIALS; AND  
(E) SETTING CONFIRMATION HEARING  
AND DEADLINES IN CONNECTION  
THEREWITH**

[Related to Dkt. No. \_\_\_\_]

Date: December 13, 2017

Time: 10:00 a.m.

Place: Courtroom "201"

1415 State Street

Santa Barbara, California 93101

Judge: Hon. Peter H. Carroll

25 Upon the Motion (the "Motion") of Channel Technologies Group, LLC, debtor and debtor in  
26 possession in the above-captioned chapter 11 case (the "Debtor"), seeking entry of an order

28 <sup>1</sup> The last four digits of the Debtor's Tax Identification Number are: 0460. The Debtor's mailing address is: 8714 East  
Sandalwood Dr. Scottsdale, AZ 85250.

1 (a) approving the proposed *Disclosure Statement in Support of Chapter 11 Liquidating Plan (Dated*  
2 *November 7, 2017)* (as may be amended or supplemented and including all exhibits and supplements  
3 thereto, the “Disclosure Statement”) in connection with the proposed *Chapter 11 Liquidating Plan*  
4 *(Dated November 7, 2017)* (as may be amended or supplemented and including all exhibits and  
5 supplements thereto, the “Plan”); (b) fixing a voting record date pursuant to Bankruptcy Rule  
6 3018(c) for determining, among other things, those creditors entitled to receive ballots and  
7 solicitation materials; (c) approving solicitation and voting procedures with respect to the Plan;  
8 (d) approving the form of the solicitation package and the notices to be distributed with respect  
9 thereto; and (e) setting Plan confirmation-related deadlines and procedures, and the Court having  
10 conducted the Disclosure Statement Hearing on December 13, 2017;<sup>2</sup> and the Court having  
11 jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § § 157 and  
12 1334; and this being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in  
13 this Court pursuant to 28 U.S.C. § § 1408 and 1409; and due, adequate, and sufficient notice of the  
14 Motion, the time fixed for filing objections and the Disclosure Statement Hearing having been given  
15 in accordance with Bankruptcy Rules 2002 and 3017, and Local Rules 3017-1(a) and (b); and it  
16 appearing that no other notice need be given; and the Court having determined that the relief sought  
17 in the Motion is in the best interests of the Debtor, its creditors, and all parties-in-interest; and after  
18 due deliberation thereon; and, for the reasons stated in the Motion and based on the record in this  
19 case and at the Disclosure Statement Hearing; and good, adequate and sufficient cause being shown  
20 to justify the immediate entry of this Order, it is hereby:

21 **ORDERED, ADJUDGED, and DECREED THAT:**

22 1. The Motion is GRANTED in all respects.

23 2. The Disclosure Statement complies with section 1125 of the Bankruptcy Code and is  
24 hereby approved as containing adequate information, as defined by section 1125(a) of the  
25 Bankruptcy Code.

26 3. Any objections to approval of the Disclosure Statement which were not withdrawn at  
27

28 <sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them  
in the Motion, the Disclosure Statement or Plan.

1 or prior to the Disclosure Statement Hearing are hereby overruled.

2 4. The Voting Record Date shall be **[December 13], 2017**.

3 5. The last date by which the Solicitation Packages must be distributed to parties entitled  
4 to receive them shall be **[December 15], 2017**.

5 6. The Voting Deadline, i.e., the date by which ballots must be received as set forth in  
6 paragraph 17 herein, shall be **[January 10], 2018, at 5:00 p.m. (PT)**.

7 7. The Confirmation Brief must be filed by the **Confirmation Brief Deadline,**  
8 **[January 17], 2018**, and must be served upon the Office of the United States Trustee, counsel to the  
9 Lender, counsel to the Creditors Committee, and all parties who requested special notice pursuant to  
10 Federal Rule Bankruptcy Procedure 2002.

11 8. The Voting Report Deadline shall be **[January 17], 2018**.

12 9. Any objections to the Plan (the "Plan Objections") must be filed by the  
13 **Confirmation Objection Deadline, [January 24], 2018**, and must: (a) be in writing; (b) state the  
14 name and address of the objecting party and the amount and nature of the claim or interest of such  
15 party against or in the Debtor, its estate, or its property, and (c) be filed, together with proof of  
16 service, with the Court and served so that they are received by the following:

17 a. **The Office of the United States Trustee, at the following address:**

18 Office of the U.S. Trustee  
19 Brian Fittipaldi, Esq.  
20 1415 State Street, Suite 148  
Santa Barbara, CA 93101

21 b. **Counsel to the Debtor at the following address:**

22 Laura Davis Jones, Esq.  
23 Jeffrey W. Dulberg, Esq.  
24 Pachulski Stang Ziehl & Jones LLP  
10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
Los Angeles, California 90067-4100

25 c. **Counsel to the Creditors Committee at the following address:**

26 Robert Opera, Esq.  
27 Winthrop Couchot Golubow Hollander, LLP  
660 Newport Center Drive, Suite 400  
28 Newport Center Drive, Suite 400  
Newport Beach, CA 92660

1 d. **Counsel to the Lender, Blue Wolf Capital Fund II, L.P., at the following**  
2 **address:**

3 Alan J. Watson, Esq.  
4 Holland & Knight LLP  
400 South Hope Street, 8<sup>th</sup> Floor  
Los Angeles, CA 90071-2040

5 e. **Counsel to the Lender, Blue Wolf Capital Fund, II, L.P., at the following**  
6 **address:**

7 John J. Monaghan, Esq.  
8 Holland & Knight LLP  
10 St. James Avenue, 11<sup>th</sup> Floor  
Boston, MA 02116

9 10. Any reply to any Confirmation Objections must be filed no later than **[January 31],**  
10 **2018** and must be served upon the objecting party in accordance with the Local Rules.

11 11. The Confirmation Hearing shall be held on **[February 7], 2018 at 11:00 a.m.** or as  
12 soon thereafter as counsel may be heard. The Confirmation Hearing may be continued from time to  
13 time by announcing such continuance in open court, and the Plan may be further modified, if  
14 necessary, pursuant to section 1127 of the Bankruptcy Code prior to, during, or as a result of the  
15 Confirmation Hearing, without further notice to parties-in-interest.

16 12. The Solicitation Procedures are hereby approved and the Debtor's rights are reserved,  
17 subject to Court approval, to further amend or supplement the Solicitation Procedures to better  
18 facilitate the solicitation process.

19 13. The form of the Disclosure Statement Notice [Dkt. No. 412] is hereby approved as  
20 providing sufficient notice of the Disclosure Statement Hearing in accordance with Bankruptcy  
21 Rules 2002(b) and 3017.

22 14. The form of Ballot and voting instructions, substantially in the forms attached to the  
23 Motion as Exhibit "B" (Class 3 Ballot), are hereby approved.

24 15. The Confirmation Hearing Notice, substantially in the form attached to the Motion as  
25 Exhibit "C", complies with the requirements of Bankruptcy Rules 2002(b), 2002(c)(3), and 2002(d),  
26 and is hereby approved.

27 16. The Solicitation Letter, substantially in the form attached to the Motion as Exhibit  
28 "D", is hereby approved for inclusion in the Solicitation Package.

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

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17. All Ballots must be properly executed, completed and delivered by (a) first-class mail, in the return envelope provided with each Ballot; (b) overnight courier; or (c) personal delivery, so that the Ballots are actually received, in any case, no later than the Voting Deadline at the following address: Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13<sup>th</sup> Floor, Los Angeles, CA 90067; Attn: Felice Harrison.

18. Notwithstanding any Bankruptcy Rule to the contrary, this Order shall be immediately effective and enforceable upon its entry.

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PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

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# EXHIBIT B



UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
NORTHERN DIVISION

In re:  
  
CHANNEL TECHNOLOGIES GROUP,  
LLC,<sup>1</sup>  
  
Debtor.

Case No.: 9:16-bk-11912-PC

Chapter 11

**BALLOT (CLASS 3)**

**FOR ACCEPTING OR REJECTING CHAPTER  
11 LIQUIDATING PLAN**

The *Chapter 11 Liquidating Plan (Dated November 7, 2017)* (the “Plan”) filed by Channel Technologies Group, LLC (the “Debtor”) can be confirmed by the Court and thereby made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each class voting on the Plan. In the event that the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of §1129(b) of the Bankruptcy Code. To have your vote count, you must complete and return this Ballot as directed below.

The undersigned, a **Class 3** creditor of the above-named Debtor in the unpaid principal amount of \$ \_\_\_\_\_

Accepts the Plan

Rejects the Plan

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Signature of person executing ballot]

\_\_\_\_\_  
[print or type name and title (if any) of person signing]

\_\_\_\_\_  
[print or type name of claimant]

\_\_\_\_\_  
[print of type address]

\_\_\_\_\_  
[city, state, zip]

TO BE COUNTED, THIS BALLOT MUST BE RECEIVED BY FELICE HARRISON, PACHULSKI STANG ZIEHL & JONES LLP, 10100 SANTA MONICA BLVD., 13<sup>TH</sup> FLOOR, LOS ANGELES, CA 90067 NO LATER THAN THE CLOSE OF BUSINESS ON [JANUARY 10], 2018. THE BALLOT WILL NOT BE ACCEPTED BY EMAIL OR FACSIMILE.

A Ballot Does Not Constitute A Valid Proof Of Claim In This Bankruptcy Case.

<sup>1</sup> The last four digits of the Debtor’s Tax Identification Number are: 0460. The Debtor’s mailing address is: 8714 East Sandalwood Dr. Scottsdale, AZ 85250.

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

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# EXHIBIT C

1 Laura Davis Jones (DE Bar No. 2436) (*Admitted Pro Hac Vice*)  
2 Jeffrey W. Dulberg (CA Bar No. 181200)  
3 PACHULSKI STANG ZIEHL & JONES LLP  
4 10100 Santa Monica Blvd., 13th Floor  
5 Los Angeles, CA 90067  
6 Telephone: 310/277-6910  
7 Facsimile: 310/201-0760  
8 E-mail: ljones@pszjlaw.com  
9 jdulberg@pszjlaw.com

10 Attorneys for Channel Technologies Group, LLC, Debtor and  
11 Debtor in Possession

12 **UNITED STATES BANKRUPTCY COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**  
14 **NORTHERN DIVISION**

15 In re:  
16 CHANNEL TECHNOLOGIES GROUP,  
17 LLC,<sup>1</sup>  
18 Debtor.

19 Case No.: 9:16-bk-11912-PC

20 Chapter 11

21 **NOTICE OF: (1) APPROVAL OF**  
22 **DEBTOR'S DISCLOSURE STATEMENT;**  
23 **(2) PLAN CONFIRMATION HEARING;**  
24 **(3) DATES AND DEADLINES RELATING**  
25 **TO PLAN CONFIRMATION HEARING;**  
26 **AND (4) MANNER OF SERVICE**

27 **Confirmation Hearing:**

28 Date: [February 7], 2018

Time: 10:00 a.m.

Place: Courtroom "201"

1415 State Street

Santa Barbara, CA 93101

Judge: Hon. Peter H. Carroll

29 **TO ALL CREDITORS OF CHANNEL TECHNOLOGIES GROUP, LLC, THE OFFICIAL**  
30 **COMMITTEE OF CREDITORS HOLDING UNSECURED CLAIMS, THE UNITED**  
31 **STATES TRUSTEE, AND THE SECURITIES AND EXCHANGE COMMISSION:**

32 **PLEASE TAKE NOTICE** that the Court has approved the *Disclosure Statement in Support*  
33 *of Chapter 11 Liquidating Plan (Dated November 7, 2017)* (the "Disclosure Statement") submitted  
34 by Channel Technologies Group, LLC (the "Debtor"), in conjunction with the *Debtor's Chapter 11*

35 <sup>1</sup> The last four digits of the Debtor's Tax Identification Number are: 0460. The Debtor's mailing address is: 8714 East  
36 Sandalwood Dr. Scottsdale, AZ 85250.

1 *Liquidating Plan (Dated November 7, 2017)* (the “Plan”), filed in the Debtor’s case pending under  
2 chapter 11 of the United States Bankruptcy Code. The Court has set a hearing to consider  
3 confirmation of the Plan that will commence on **[February 7], 2018, at 10:00 a.m.**, in Courtroom  
4 201, 1415 State Street, Santa Barbara, California 93101.

5 The Court has fixed **[January 17], 2018** as the last day for the Debtor to file and serve its  
6 brief in support of the confirmation of the Plan. The Court has fixed **[January 24], 2018**, as the last  
7 day for any interested party to file and serve any opposition to confirmation of the Plan. The Court  
8 has fixed **[January 31], 2018** as the last day for any interested party to file and serve a reply to any  
9 opposition to confirmation of the Plan. Any Plan objections must be set forth in a written statement  
10 and be accompanied by a memorandum of points and authorities and any supporting evidence and  
11 must be timely filed and served or be deemed waived. Any objections to confirmation of the Plan  
12 must be served on the following:

13 United States Trustee  
14 Office of the U.S. Trustee  
15 Brian Fittipaldi, Esq.  
16 1415 State Street, Suite 148  
17 Santa Barbara, CA 93101

18 Counsel to Debtor  
19 Laura Davis Jones, Esq.  
20 Jeffrey W. Dulberg, Esq.  
21 Pachulski Stang Ziehl & Jones LLP  
22 10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
23 Los Angeles, California 90067-4100

24 Counsel to Creditors Committee  
25 Robert Opera, Esq.  
26 Winthrop Couchot Golubow Hollander, LLP  
27 660 Newport Center Drive, Suite 400  
28 Newport Center Drive, Suite 400  
Newport Beach, CA 92660

Counsel to the Lender, Blue Wolf Capital Fund II, L.P.  
Alan J. Watson, Esq.  
Holland & Knight LLP  
400 South Hope Street, 8<sup>th</sup> Floor  
Los Angeles, CA 90071-2040

Counsel to the Lender, Blue Wolf Capital Fund II, L.P.  
John J. Monaghan, Esq.  
Holland & Knight LLP  
10 St. James Avenue, 11<sup>th</sup> Floor  
Boston, MA 02116

1 Failure to timely file and serve an opposition may be deemed by the Court to be consent to  
2 confirmation of the Plan.

3  
4 **THE PLAN CONTAINS INJUNCTIVE, EXCULPATORY AND RELEASE PROVISIONS**

5 In accordance with Bankruptcy Rule 3016(c), the Debtor notes that the following provisions  
6 are included in Article X of the Plan and Disclosure Statement.

7 **A. Injunction**

8 The Plan is the sole means for resolving, paying or otherwise dealing with Claims and Equity  
9 Interests. To that end, except as expressly provided in the Plan, at all times on and after the  
10 Effective Date, all Persons who have been, are, or may be holders of Claims against or Interests in  
11 the Debtor, arising prior to the Effective Date, will be permanently enjoined from taking any of the  
12 following actions, on account of any such Claim or Equity Interest, against the Debtor, the Estate,  
13 the Liquidating Trust or its property (other than actions brought to enforce any rights or obligations  
14 under the Plan):

15 (a) Commencing, conducting or continuing in any manner, directly or indirectly any suit,  
16 action, or other proceeding of any kind against the Debtor and/or Estate, the Liquidating Trust, or the  
17 Liquidating Trustee, their successors, or their respective property or assets (including, without  
18 limitation, all suits, actions, and proceedings that are pending as of the Effective Date which will be  
19 deemed to be withdrawn or dismissed with prejudice);

20 (b) Enforcing, levying, attaching, executing, collecting, or otherwise recovering by any  
21 manner or means whether directly or indirectly any judgment, award, decree, or order against the  
22 Debtor, the Estate, the Liquidating Trust, or the Liquidating Trustee, their successors, or their  
23 respective property or assets;

24 (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any  
25 lien, security interest or encumbrance against the Debtor, the Estate, the Liquidating Trust, or the  
26 Liquidating Trustee, their successors, or their respective property or assets; and  
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1 (d) proceeding in any manner in any place whatsoever against the Debtor, the Estate, the  
2 Liquidating Trust, or the Liquidating Trustee, their successors, or their respective property or assets  
3 that does not conform to or comply with the provisions of the Plan.

4 **B. Releases by the Debtor**

5 In consideration for services rendered to the Estate and for the consideration as more fully set  
6 forth herein, to the greatest extent permissible by law, and except as otherwise specifically provided  
7 in this Plan, as of the Effective Date, the Debtor shall be deemed to have conclusively, absolutely,  
8 unconditionally, irrevocably and forever released and discharged each of the Released Parties of and  
9 from any and all past, present and future legal actions, causes of action, choses in action, rights,  
10 demands, suits, claims, liabilities, encumbrances, lawsuits, adverse consequences, amounts paid in  
11 settlement, costs, fees, damages, debts, deficiencies, diminution in value, disbursements, expenses,  
12 losses and other obligations of any kind, character or nature whatsoever, whether in law, equity or  
13 otherwise (including, without limitation, those arising under Chapter 5 of the Bankruptcy Code and  
14 applicable non-bankruptcy law, and any and all alter-ego, lender liability, indemnification or  
15 contribution theories of recovery, and interest or other costs, penalties, legal, accounting and other  
16 professional fees and expenses, and incidental, consequential and punitive damages payable to third  
17 parties), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or  
18 unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or  
19 which may heretofore accrue against the Debtor or the Released Parties (in each case, solely in their  
20 capacities as such) occurring from the beginning of time to and including the Effective Date related  
21 in any way, directly or indirectly, arising out of, and/or connected with any or all of the Debtor or the  
22 Estate; provided, however, that notwithstanding the foregoing or any other provision of this Plan,  
23 nothing in this Plan, or any order confirming this Plan shall affect any causes of action, claims, or  
24 counterclaims that may be asserted in connection with an objection to a Claim that has not been  
25 Allowed, in each case as determined by a court of competent jurisdiction. Notwithstanding anything  
26 to the contrary in this Plan, this Article does not release any post-Effective Date obligations of any  
27 party under this Plan or any document, instrument, or agreement executed to implement this Plan.  
28 Furthermore, nothing in this Plan shall affect the liability of any Claims held by any third party

1 against any of the Released Parties.

2 **C. Exculpation**

3 None of the Exculpated Parties shall have or incur any liability for any act or omission in  
4 connection with, related to, or arising out of, the Chapter 11 Case, the formulation, preparation,  
5 dissemination, implementation, confirmation, or approval of this Plan, the administration of this  
6 Plan, or any contract, instrument, release, or other agreement or document provided for or  
7 contemplated in connection with the consummation of the transactions set forth in this Plan,  
8 provided, however, that the foregoing provisions shall not affect the liability of any Person that  
9 would result solely from any such act or omission to the extent that act or omission is determined by  
10 a Final Order of the Court to have constituted willful misconduct or gross negligence or breach of  
11 fiduciary duty; provided further, however, that this provision shall not limit the Debtor's obligations  
12 under this Plan; provided further, however, that notwithstanding the foregoing or any other provision  
13 of this Plan, nothing in this Plan, or any order confirming this Plan shall affect any causes of action,  
14 claims, or counterclaims that may be asserted in connection with an objection to a Claim that has not  
15 been Allowed, in each case as determined by a court of competent jurisdiction.

16 **COPIES OF SOLICITATION PACKAGE MATERIALS**

17 In order to be counted, all Ballots with respect to the Plan must be received by Felice  
18 Harrison, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13<sup>th</sup> Floor, Los Angeles,  
19 CA 90067, no later than the close of business on **[January 10], 2018**. Ballots may be sent to Ms.  
20 Harrison by mail, overnight or hand delivery. Ballots will not be accepted by email or facsimile.

21 Along with this Notice, you are being sent a Ballot and a copy of the Disclosure Statement  
22 and the Plan. If you desire to receive another copy of the documents, you may obtain additional  
23 copies by contacting Ms. Harrison by telephone at (310) 277-6910, by fax at (310) 201-0760, or by  
24 email: [fharrison@pszjlaw.com](mailto:fharrison@pszjlaw.com).

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Dated:

PACHULSKI STANG ZIEHL & JONES LLP

By Jeffrey W. Dulberg  
Laura Davis Jones  
Jeffrey W. Dulberg  
Attorneys for Debtor and Debtor in  
Possession

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA



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# EXHIBIT D

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF  
CHANNEL TECHNOLOGIES GROUP, LLC

December \_\_, 2017

To the Unsecured Creditors of Channel Technologies Group, LLC (the "Debtor")

**Re: The Official Committee of Unsecured Creditors' Recommendation  
to Vote in Favor of Debtor's Chapter 11 Plan**

Dear Creditor:

We are the Official Committee of Unsecured Creditors (the "Committee"), appointed in the chapter 11 bankruptcy case of the Debtor pending in the Bankruptcy Court for the Central District of California ("Bankruptcy Court"). Enclosed with this letter is information pertaining to the combined Disclosure Statement and Chapter 11 Plan of Reorganization dated August 28, 2014 (the "Plan") that has been proposed by the Debtor. The Plan sets forth the treatment of the claims and interests against the Debtor's estate, including the claims of the unsecured creditors.

The Committee, through its counsel, participated in extensive negotiations with the Debtor regarding the proposed treatment of the unsecured creditors under the Plan. The Plan proposes to turn all available net assets of the estate to satisfy allowed unsecured claims. The Committee believes that the Plan is fair, equitable, and in the best interest of the Debtor's unsecured creditors.

Accordingly, the Committee hereby solicits your vote in favor of the Plan. To this end, please find enclosed for your review the following documents:

- the Plan and Disclosure Statement
- an Order of the Bankruptcy Court with important dates and deadlines;
- a Notice of hearing to consider confirmation of the Plan; and
- a Ballot for you to vote on the Plan and return envelope.

Please review all of the enclosed materials and the Plan, complete the information requested in the accompanying ballot, sign and date the ballot, and return your completed, signed and dated ballot in accordance with the instructions set forth on the ballot by mailing it using the pre-addressed, postage prepaid return envelope provided therewith. **The Committee strongly urges you to vote to accept the Plan.**

Very truly yours,

Official Committee of Unsecured Creditors

\_\_\_\_\_  
\_\_\_\_\_  
Committee Chair

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**10100 Santa Monica Blvd., 13th Floor, Los Angeles, CA 90067**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF MOTION AND MOTION FOR ORDER (A) APPROVING DEBTOR'S DISCLOSURE STATEMENT; (B) FIXING VOTING RECORD DATE; (C) APPROVING SOLICITATION AND VOTING PROCEDURES; (D) APPROVING FORM OF SOLICITATION MATERIALS; AND (E) SETTING CONFIRMATION HEARING AND DEADLINES IN CONNECTION THEREWITH; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF DAVID TIFFANY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **November 15, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On **November 15, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **November 15, 2017**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**By Federal Express**

The Honorable Peter H. Carroll  
United States Bankruptcy Court  
Central District of California  
1415 State Street, Suite 230 / Ctrm. 201  
Santa Barbara, CA 93101

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 15, 2017  
*Date*

Mary de Leon  
*Printed Name*

*/s/ Mary de Leon*  
*Signature*

## Mailing Information for Case 9:16-bk-11912-PC

### 1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Leslie A Cohen leslie@lesliecohenlaw.com, jaime@lesliecohenlaw.com;allie@lesliecohenlaw.com
- Daniel Denny ddenny@gibsondunn.com
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### 2. SERVED BY UNITED STATES MAIL:

**Channel Technologies Group, LLC**  
**Ch 11 Case No.: 9:16-bk-11912-PC**  
**2002 Service List**

Channel Technologies Group, LLC  
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United States Trustee  
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Los Angeles, CA 90017

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5916 Carnegie Lane  
Plano, Texas 75093

CR3 Partners  
Attn: William Snyder; David Tiffany;  
Robert Carringer; Michael Nguyen  
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Suite 310, Tower 1  
Dallas, TX 75240

**Claims Agent**  
Prime Clerk  
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New York, NY 10022

**Bank**  
CIT/One West  
Gordon Lenarth, Director  
Treasury Management Group  
888 East Walnut Street  
Pasadena, CA 91101

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U.S. Dept. of Justice  
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Washington, D.C. 20530-0001

U.S. Dept. of Justice  
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P.O. Box 683  
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Dorothy A. Schouten, AUSA, Civil Chief  
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Office of the Attorney General  
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Main Document Page 37 of 38  
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Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346

Internal Revenue Service  
1332 Anacapa St.  
Santa Barbara, CA 93101

CA Franchise Tax Board  
BK Section, MS: A-340  
P.O. Box 2952  
Sacramento, CA 95812-2952

Littleton Massachusetts Chief Assessor  
Attn: Katherine Miller  
37 Shattuck Street, Room 206  
Littleton, MA 01460

Littleton Massachusetts Tax Collector  
Attn: Deborah Richards  
37 Shattuck Street, Room 207  
Littleton, MA 01460

CA Franchise Tax Board  
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Sacramento, CA 95812-2952

Santa Barbara County Tax Collector  
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Employment Development Dept.  
Bankruptcy Group MIC 92E  
P.O. Box 826880  
Sacramento, CA 94280-0001

State Board of Equalization  
Special Operations BK Team, MIC: 74  
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Sacramento, CA 94279-0074

Massachusetts Dept. of Revenue  
P.O. Box 9550  
Boston, MA 02114-9550

Massachusetts Dept. of Revenue  
P.O. Box 7010  
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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

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**Request for Special Notice**

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